

**FINANCIAL ASSISTANCE
FUNDING OPPORTUNITY ANNOUNCEMENT**



U. S. Department of Energy

National Energy Technology Laboratory

Program Year 2006 State Energy Program Formula Grants

Funding Opportunity Number: DE-PS26-06NT42769

Announcement Type: Initial

CFDA Number: 81.041 State Energy Program

Issue Date:	01/18/2006
Letter of Intent Due Date:	Not Applicable
Pre-Application Due Date:	Not Applicable
Application Due Date:	09/30/2006 at 8:00 PM Eastern Time

NOTE: NEW REQUIREMENTS FOR GRANTS.GOV

Where to Submit

Applications must be submitted through Grants.gov to be considered for award.

Registration Requirements

There are several one-time actions you must complete in order to submit an application through Grants.gov (e.g., obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number, register with the Central Contract Registry (CCR), register with the credential provider, and register with Grants.gov). See <http://www.grants.gov/GetStarted>. Use the Grants.gov Organization Registration Checklist at <http://www.grants.gov/assets/OrganizationRegCheck.doc> to guide you through the process. Designating an E-Business Point of Contact (EBiz POC) and obtaining a special password called an MPIN are important steps in the CCR registration process. Applicants, who are not registered with CCR and Grants.gov, should allow at least 14 days to complete these requirements. It is suggested that the process be started as soon as possible.

Questions

Questions relating to the registration process, system requirements, how an application form works, or the submittal process must be directed to Grants.gov at 1-800-518-4726 or support@grants.gov. Part VII of this announcement explains how to submit other questions to the Department of Energy (DOE).

Application Receipt Notices

After an application is submitted, the Authorized Organization Representative (AOR) will receive a series of four e-mails. It is extremely important that the AOR watch for and save each of the emails. It may take up to two (2) business days from application submission to receipt of email Number 2. You will know that your application has reached DOE when the AOR receives email Number 4. You will need the Submission Receipt Number (email Number 1) to track a submission. The titles of the four e-mails are:

Number 1 - Grants.gov Submission Receipt Number

Number 2 - Grants.gov Submission Validation Receipt for Application Number

Number 3 - Grants.gov Grantor Agency Retrieval Receipt for Application Number

Number 4 - Grants.gov Agency Tracking Number Assignment for Application Number

VERY IMPORTANT – Download PureEdge Viewer

In order to download the application package, you will need to install PureEdge Viewer. This small, free program will allow you to access, complete, and submit applications electronically and securely. For a free version of the software, visit the following web site:

<http://www.grants.gov/DownloadViewer>.

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PART I – FUNDING OPPORTUNITY DESCRIPTION

The purpose of this funding opportunity announcement is to establish grant guidance and management information for the State Energy Program (SEP) formula grants for program year (PY) 2006 for States submitting applications directly to Grants.gov.

Much of the information in this guidance is summarized from the volumes of the Code of Federal Regulations (CFR) applicable to SEP, namely 10 CFR part 420 (covering the State Energy Program) and 10 CFR part 600 (the DOE Financial Assistance Rule). The CFR can be accessed at: <http://www.gpoaccess.gov/cfr/index.html>

These regulations are the official sources for program requirements.

PROGRAM PRIORITIES IN PY 2006:

Carryover Funds:

Budgetary accountability will continue to be a program emphasis, with particular attention on reducing large amounts of carryover.

States carrying forward 25 percent or more of the prior year's Federal formula allocation plus any prior year carryover funds will need to address the situation in their PY 2006 State Plan. Regional Offices (RO's) will continue to monitor compliance with those carryover plans. DOE Headquarters (HQ) will work with the RO's to help ensure that those balances are reduced in a timely manner.

Update of the SEP Strategic Plan for the 21st Century:

Many things have changed with regard to energy since the SEP Strategic Plan for the 21st Century, (SEP Strategic Plan) was published in 2000. Oil prices have fluctuated significantly, the reliability of the electricity grid has been tested, and energy supply security and emergency planning have been recognized as a major issue for both the Federal government and the States. Building on Key Goal 1 in the SEP Strategic Plan, DOE and EPA are working together to help States realize the air quality benefits of energy efficiency and renewable energy technologies and to use those technologies in State Implementation and Enforcement Plans under the Clean Air Act.

In view of these changes, a working group of States, supported by DOE, is beginning to update the SEP Strategic Plan in FY 2006. The revised Strategic Plan will establish clear policy directions for the future and set short and long-term measurable goals and objectives for the program. Further information on this effort will be available soon.

DOE continues to support the goals of the original SEP Strategic Plan and encourages States to design and/or reinforce State plan activities that address the three key goals:

1. Maximize energy, environmental and economic benefits through increased collaboration at the Federal, State and community level.
2. Increase market acceptance of energy efficiency and renewable energy technologies, practices, and products.

3. Use innovative approaches to reach market segments and meet policy goals not typically addressed by market-based solutions.

Detailed information on recommended optional activities that would particularly address each of these goals can be found in the SEP Strategic Plan Implementation Plan, at: http://www.eere.energy.gov/state_energy_program/strategic_implementation.cfm

SEP Metrics:

In June, 2005, Oak Ridge National Laboratory (ORNL) published a second report estimating energy and cost savings for the SEP, An Evaluation of State Energy Program Accomplishments: 2002 Program Year. The report was based on information from 55 States and Territories, that provided detailed data on SEP program activities in 17 major categories. The report concluded that SEP program activities carried out by the States in PY 2002 saved 47.6 trillion source BTUs, which is equivalent to the average amount of energy used for all non-transportation applications in more than 290,000 households over the course of an entire year. Each \$1 of SEP formula grant funding was associated with 1.03 million source BTUs in annual energy savings and annual cost savings of \$7.22 at 2002 energy prices. At 2005 energy prices, the cost savings would total over \$21 for every \$1 of SEP funding. Copies of the report are available on ORNL's website at: <http://weatherization.ornl.gov/pdf/ORNL-CON-492%20FINAL.pdf>

Prior to completion of this second report, an independent group of energy program evaluators reviewed ORNL's methodology and study design and found them to be reasonable and well founded.

The reviewers made a number of recommendations for refining the methodology in the future; ORNL was able to follow up on many of the recommendations for the June, 2005 report. During FY 2006, ORNL will continue to respond to the reviewers' recommendations and will publish a report on the results of their efforts by end of the fiscal year.

LEGISLATION:

SEP is authorized under PL 94-385, PL 94-163, PL 95-619, PL 94-580, PL 101-440, PL 102-486, and PL 109-58. All grant awards made under this program must comply with applicable legislation.

The Energy Policy Act of 2005, PL 109-58, Title I, Subtitle B, Section 123, makes two revisions to the legislation governing SEP. The first amends the provisions regarding State Plans by adding a new subsection, as follows:

“(g) The Secretary shall, at least once every 3 years, invite the Governor of each State to review and, if necessary, revise the energy conservation plan of such State submitted under subsection (b) or (e) [*the annual State Plan*]. Such reviews should consider the energy conservation plans of other States within the region, and identify opportunities and actions carried out in pursuit of common energy conservation goals.”

DOE plans to issue such an invitation to the State Governors in FY 2007. The term “region” will be defined as the area covered by each of the current DOE Regional Offices.

The second revision amends the provisions regarding the energy efficiency goals established by the States. The new legislation reads as follows:

“Each State energy conservation plan with respect to which assistance is made available under this part on or after the date of enactment of the Energy Policy Act of 2005 shall contain a goal, consisting of an improvement of 25 percent or more in the efficiency of use of energy in the State concerned in calendar year 2012 as compared to calendar year 1990, and may contain interim goals.”

This 25 percent goal should be addressed in the State Plans submitted by each State in 2006.

REGULATIONS:

SEP is governed by program regulations (10 CFR part 420) published in the Federal Register on July 8, 1996, and amended in the Federal Registers dated May 14, 1997, August 24, 1999, and May 1, 2000, and the DOE Financial Assistance Rules (10 CFR part 600). DOE will soon publish a Notice of Proposed Rulemaking which amends 10 CFR 420 to incorporate the provisions of the Energy Policy Act of 2005, as described above.

PART II – AWARD INFORMATION

A. TYPE OF AWARD INSTRUMENT.

DOE anticipates awarding grants under this program announcement.

B. ESTIMATED FUNDING.

Approximately \$34,640,000 is expected to be available for new awards under this announcement.

PY 2006 funding for SEP, requiring DOE approval for expenditure, can come from three sources: (1) Federally appropriated funds; (2) Warner, EXXON and similar petroleum violation escrow funds; and (3) Stripper Well and other oil overcharge funds (including Texaco) which are subject to Stripper settlement rules.

Formula Allocations: PY 2006 allocations for SEP consist of an estimated \$34.6⁴ million in Federal funds to be appropriated in FY 2006. The SEP rule (section 420.11(b)(4)(ii)) requires that the most recent available data be used in the population and energy consumption portions of the formula for allocating funds above the \$25.5 million base amount. Attachment 1 to State Energy Program Notice 06-1 provides the estimated SEP State formula allocations for PY 2006. (A link to SEP Notice 06-1 is provided in the Reference Material Section following this funding opportunity.) The population data used to calculate these allocations is based on the July 1, 2004 population estimates issued by the U.S. Census Bureau.

(See section 10 CFR 420.11 for the allocation process.)

C. MAXIMUM AND MINIMUM AWARD SIZE.

Ceiling (i.e., the maximum amount for an individual award made under this announcement): N/A

Floor (i.e., the minimum amount for an individual award made under this announcement): N/A

D. EXPECTED NUMBER OF AWARDS.

Awards under this announcement are anticipated in accordance with the Formula Allocations identified in Attachment 1 to SEP Notice 06-1.

E. ANTICIPATED AWARD SIZE.

Awards under this announcement are anticipated in accordance with the Formula Allocations shown in Attachment 1 to SEP Notice 06-1.

F. PERIOD OF PERFORMANCE.

DOE anticipates making awards that will run for up to one (1) year.

G. TYPE OF APPLICATION.

DOE will accept new applications under this announcement consistent with FAR part 420, Subpart B.

PART III - ELIGIBILITY INFORMATION

A. ELIGIBLE APPLICANTS.

In accordance with 10 CFR 600.6(b), eligibility for award under this funding opportunity announcement is restricted to States, Territories and the District of Columbia (hereinafter "States"), applying for formula grant financial assistance under the Department of Energy's (DOE's) State Energy Program (SEP).

B. MATCHING

States must contribute (in cash, in kind, or both) an amount no less than 20 percent of their total Federal Formula award.

(See 10 CFR section 420.12 regarding match.)

C. OTHER ELIGIBILITY REQUIREMENTS.

Petroleum Violation Escrow (PVE) Activities Funded Under SEP: Depending on the authority of PVE funding, new and modified PVE-funded SEP initiatives must be approved in writing, prior to implementation, by the appropriate Regional Office. Stripper Well activities require review by DOE Headquarters.

PART IV – APPLICATION AND SUBMISSION INFORMATION

A. ADDRESS TO REQUEST APPLICATION PACKAGE.

Application forms and instructions are available at Grants.gov. To access these materials, go to <http://www.grants.gov>, select “Apply for Grants,” and then select “Download Application Package.” Enter the CFDA and/or the funding opportunity number located on the cover of this announcement and then follow the prompts to download the application package. **NOTE:** You will not be able to download the Application Package unless you have installed PureEdge Viewer (See: <http://www.grants.gov/DownloadViewer>).

Specific forms not available through [Grants.gov](http://www.grants.gov) (i.e., SEP Narrative Information Worksheet), can be accessed at the Department of Energy’s (DOE’s) Energy Efficiency and Renewable Energy (EERE) Project Management Center (PMC) website at: <https://www.eere-pmc.energy.gov/forms.asp>.

B. LETTER OF INTENT AND PRE-APPLICATION.

1. Letter of Intent.

Letters of Intent are not required.

2. Pre-application.

Pre-applications are not required.

C. CONTENT AND FORM OF APPLICATION – SF 424.

The application package for SEP formula grants consists of the State Plan, a number of required forms, and certain Certifications and Assurances. You must complete the mandatory forms and any applicable optional forms in accordance with the instructions on the forms and the additional instructions below. **Files that are attached to the forms must be in Adobe Portable Document Format (PDF) unless otherwise specified in this announcement.**

1. SF 424 - Application for Federal Assistance.

Complete this form first to populate data in other forms. Complete all required fields in accordance with the pop-up instructions on the form. To activate the instructions, turn on the “Help Mode” (Icon with the pointer and question mark at the top of the form).

2. Other Attachments Form

Submit the following files with your application and attach them to the Other Attachments Form. Click on “Add Mandatory Other Attachment” to attach the State Plan. Click on “Add Optional Other Attachment,” to attach the other files.

- **State Plan - Mandatory Other Attachment**

The State Plan is the heart of the application package. It is divided into two sections, the Master File and the Annual File. The Master File, covering items that generally do not change from year to year, needs to be updated only when a change occurs. The Master File describes the overall energy goals that the State intends to achieve.

The Annual File, covering the activities the State intends to undertake during the year of the grant, must be updated each year to reflect the current year's activities. The Annual File section of the State Plan describes each program activity for which the State requests financial assistance for a given year, including budget information and milestones for each activity, and the intended scope and goals to be attained either qualitatively or quantitatively.

Save the information in a single file named "State.pdf," and click on "Add Mandatory Other Attachment" to attach.

Specific instructions for completion of these files is as follows:

Master File: The Master File should include, wherever practicable, an explanation of how implementing the plan will conserve energy, how the State will measure progress toward attaining the goal, how the program activities represent a strategy to achieve these goals; an explanation of how the plan satisfies the minimum criteria for the required (mandatory) activities; and a plan for State monitoring that describes how the State conducts the administrative and programmatic oversight for programs implemented by other agencies within the State, contractors employed by the State, or subrecipients of financial assistance from the State. If a State has completed certain mandatory activities, this may also be indicated in the Master File. **A description of how the State will achieve the new energy efficiency goal of 25 percent by 2012 should be included here.**

Annual File: The Annual File section of the State Plan describes each market area and program activity for which the State requests financial assistance for a given year, including budget information and milestones for each activity, and the intended scope and goals to be attained either qualitatively or quantitatively. The SEP Narrative Information Worksheet captures this information. This Worksheet can be accessed at: <https://www.eere-pmc.energy.gov/forms.asp>.

DOE has made a number of changes to the Annual File to conform to streamlined application forms procedures. The new SEP narrative structure, using markets and topics, is a significant change. The new format consolidates SEP activities under major market areas, and provides States with an opportunity to consolidate activities and reduce reporting requirements, without sacrificing the quality of the information reported regarding the results of the program. For further information regarding specific changes to the Annual File in WinSAGA, please see State Energy Program Notice 06-01 dated January 6, 2006, Section 2.2

States should provide a narrative outlining any amendments to activities carried over from the previous year's plan, plus all new program activities. This information should be included in the application's cover letter.

(See section 10 CFR Part 420.13 for more specific requirements on State Plans.)

State Plan Activity Codes:

States should identify program activities under the new market areas and topics categories developed in preparation for Grants.gov. Use of the markets and topics categories assists DOE in tracking grant-funded activities and gathering information on SEP regionally and nationwide. DOE is often required to provide analyses, justifications and recommendations based on the information provided by the States. The use of these categories, which are included in the Narrative Information Worksheet, also assists in developing performance metrics for each activity. Definitions of the markets and topic areas can be found on the SEP website at the following address:

http://www.eere.energy.gov/state_energy_program/topic_definitions.cfm

Mandatory Requirements:

The following activities and details on compliance are required in each State Plan:

- (a) establish mandatory lighting efficiency standards for public buildings;
- (b) promote carpools, vanpools; and public transportation;
- (c) incorporate energy efficiency criteria into procurement procedures;
- (d) implement mandatory thermal efficiency standards for new and renovated buildings, or in States that have delegated such matters to political subdivisions, adopt model codes for local governments to mandate such measures;
- (e) permit right turns at red traffic lights and left turns from a one-way street onto a one-way street at a red light after stopping; and
- (f) ensure effective coordination among various local, State and Federal energy efficiency, renewable energy and alternative transportation fuel programs within the State.

(See 10 CFR section 420.15 for more specific requirements on mandatory activities.)

Optional Program Activities:

States may wish to consider the following program areas for inclusion in their State Plans:

- \$ Programs of public education to promote energy conservation.
- \$ Programs to increase transportation energy efficiency, including programs to accelerate the use of alternative transportation fuels and hybrid vehicles for State government fleets, taxis, mass transit, and privately owned vehicles.
- \$ Programs that encourage the introduction of energy saving technologies in the industry, buildings, transportation and utility sectors and encourage State and industry partnerships that develop and demonstrate advances in energy efficiency and clean technologies.
- \$ Programs for financing energy efficiency and renewable energy capital investments, projects and programs, which may include loan programs and

performance contracting programs for leveraging additional public and private sector funds, and programs which allow rebates, grants, or other incentives for the purchase and installation of eligible energy efficiency and renewable energy measures in public or nonprofit buildings owned and operated by a State, a political subdivision of a State or an agency or instrumentality of a State, or an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, including public and private non-profit schools and hospitals, and local government buildings.

- \$ Programs for encouraging and for carrying out energy audits with respect to buildings and industrial facilities (including industrial processes) within the State.
- \$ Programs to promote the adoption of integrated energy plans which provide for periodic evaluation of a State's energy needs, available energy resources (including greater energy efficiency) and energy costs; and utilization of adequate and reliable energy supplies, including greater energy efficiency, that meet applicable safety, environmental, and policy requirements at the lowest cost.
- \$ Programs to promote energy efficiency in residential housing, such as programs for development and promotion of energy efficiency rating systems for newly constructed housing and existing housing so that consumers can compare the energy efficiency of different housing; and programs for the adoption of incentives for builders, utilities, and mortgage lenders to build, service, or finance energy efficient housing.
- \$ Programs to identify unfair or deceptive acts or practices which relate to the implementation of energy efficient and renewable resource energy measures and to educate consumers concerning such acts or practices.
- \$ Programs to modify patterns of energy consumption so as to reduce peak demands for energy and improve the efficiency of energy supply systems, including electricity supply systems.
- \$ Programs to promote energy efficiency as an integral part of economic development and environmental planning conducted by State, local, or other governmental entities or by energy utilities.
- \$ Programs to provide training and education to building designers and contractors to promote building energy efficiency.
- \$ Programs for the development of building retrofit standards and regulations.
- \$ Programs to provide support for feasibility studies for the utilization of renewable energy and energy efficiency resource technologies.
- \$ Programs to encourage the use of renewable energy technologies.
- \$ Programs that partner with other State agencies to leverage additional funds, such as public benefits funds and State and local investments in Clear Air Act compliance.
- \$ Collaborative programs for energy efficiency and renewable energy technologies that link a States energy and environmental objectives. In order to meet the State air quality priorities, these programs could leverage air quality funding to invest in air quality measures such as energy efficiency and renewable energy technologies.

(See 10 CFR section 420.17 for more specific requirements on optional activities.)

State Energy Emergency Plans:

In conjunction with the SEP State Plan, States are required to file, for information only, an energy emergency plan detailing implementation strategies for dealing with energy emergencies. DOE encourages States to make sure their plans are up to date, given today's environment, and especially in view of recent natural disasters. For States that

desire to update their plan, model guidelines have been developed for incorporating energy efficiency and renewable energy technologies into a State's energy emergency plan. The Regional Offices can provide copies of those guidelines.

- **SF 424 A Excel, Budget Information – Non-Construction Programs File**

Use the SF 424 A Excel, "Budget Information – Non Construction Programs" form on the Applicant and Recipient Page at <http://grants.pr.doe.gov>. You may request funds under any of the Object Class Categories as long as the item and amount are necessary to perform the proposed work, meet all the criteria for allowability under the applicable Federal cost principles, and are not prohibited by the funding restrictions in this announcement (See PART IV, G). Save the information in a single file named "SF424A.xls," and click on "Add Optional Other Attachment" to attach.

- **Budget Justification File**

Form GO-PF20(a), the Budget Explanation Form, is no longer required. It will, however, be maintained in WinSAGA as an optional form for States wishing to use it. States must provide budget justification for the costs proposed in each Object Class category/Cost Classification category (e.g., identify key persons and personnel categories and the estimated costs for each person or category; provide a list of equipment and cost of each item, identify proposed subaward/consultant work and costs of each subaward/consultant; describe the purpose of proposed travel, number of travelers and travel days; list categories of supplies and amount for each category; and provide any other information desired to support the requested budget). States should also provide the name of their cognizant/oversight agency, if applicable, and the name and phone number of the individual responsible for negotiating the State's indirect cost rates. Also provide an explanation of the source and nature of the required 20 percent cost share. Save this information in a single file named "Budget.pdf," and click on "Add Optional Other Attachment" to attach.

- **Certifications/Assurances for Use with SF 424 File**

You must complete and provide the "Certifications and Assurances for Use with SF 424" form on the Applicant and Recipient Page at <http://grants.pr.doe.gov>. Submission of an electronic application through Grants.gov constitutes the submission of a signed document. Type the name of the person responsible for providing the certifications and assurances in the signature block and save as a pdf file. Do not submit a scanned copy of the form. Name the file "Certs.pdf," and click on "Add Optional Other Attachment" to attach.

- 3. **SF-LLL Disclosure of Lobbying Activities**

If applicable, complete SF- LLL. Applicability: If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the grant/cooperative agreement, you must complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying."

Summary of Required Forms/Files

Your application must include the following documents:

Name of Document	Format	File Name
Application for Federal Assistance – SF424	PureEdge Form	N/A
Other Attachments Form: Attach the following files to this form:	PureEdge Form	N/A
State Plan	PDF	State.pdf
SF 424A File - Budget Information for Non-Construction Programs	Excel	SF424A.xls
Budget Justification File	PDF	Budget.pdf
Certifications/Assurances File	PDF	Certs.pdf
SF-LLL Disclosure of Lobbying Activities, if applicable.	PureEdge Form	N/A

D. SUBMISSIONS FROM SUCCESSFUL APPLICANTS.

The Department anticipates that no additional submissions will be required. However, it reserves the right to request additional or clarifying information for any reason deemed necessary.

E. SUBMISSION DATES AND TIMES.

1. Pre-application Due Date.

Pre-applications are not required.

2. Application Due Date.

DOE's Regional Offices are scheduled for consolidation by June 30, 2006. Therefore, it will be necessary to fast track the FY 2006 SEP formula grant application and award process. All 2006 SEP grants, including those whose fiscal year starts on October 1, 2006, must be awarded by June 1, 2006. The effective dates of award, July 1, 2006 or October 1, 2006, will remain the same, as will the associated budget periods.

Requests for Extension: If a State determines that it cannot meet the application submission date for the SEP formula grant, a written request from the Governor must be submitted to the appropriate Regional Office no later than 15 days prior to the application due date. The request should specify the time period needed and the reasons for the delay. An extension will be granted if reasonable justification is provided.

(See 10 CFR section 420.13(c).)

F. GOVERNMENTAL REVIEW

This program is subject to Executive Order 12372 (Intergovernmental Review of Federal Programs) and the regulations at 10 CFR Part 1005.

One of the objectives of the Executive order is to foster an intergovernmental partnership and a strengthened federalism. The Executive order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

Applicants should contact the appropriate State Single Point of Contact (SPOC) to find out about, and to comply with, the State's process under Executive Order 12372. The names and addresses of the SPOCs are listed on the Web site of the Office of Management and Budget at <http://www.whitehouse.gov/omb/grants/spoc.html>.

G. FUNDING RESTRICTIONS.

Cost Principles Costs must be allowable in accordance with the applicable Federal cost principles referenced in 10 CFR part 600.

Pre-award Costs Recipients may charge to an award resulting from this announcement pre-award costs that were incurred within the ninety (90) calendar day period immediately preceding the effective date of the award, if the costs are allowable in accordance with the applicable Federal cost principles referenced in 10 CFR part 600. Recipients must obtain the prior approval of the contracting officer for any pre-award costs that are for periods greater than this 90 day calendar period.

Pre-award costs are incurred at the applicant's risk. DOE is under no obligation to reimburse such costs if for any reason the applicant does not receive an award or if the award is made for a lesser amount than the applicant expected.

Expenditures Prohibitions and Limitations:

Prohibitions: States are prohibited from using SEP financial assistance:

- (a) for construction, such as construction of mass transit systems and exclusive bus lanes, or for the construction or repair of buildings or structures;
- (b) to purchase land, a building or structure or any interest therein;
- (c) to subsidize fares for public transportation;
- (d) to subsidize utility rate demonstrations or State tax credits for energy conservation or renewable energy measures; or
- (e) to conduct or purchase equipment to conduct research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available.

Limitations: No more than 20 percent of the financial assistance awarded to the State for this program shall be used to purchase office supplies, library materials, or other equipment whose purchase is not otherwise prohibited.

Demonstrations of commercially-available energy efficiency or renewable energy techniques and technologies are permitted and are not subject to the construction prohibition or the 20 percent on equipment, and direct purchase limitations.

A State may use regular or revolving loan mechanisms to fund SEP services which are consistent with the SEP rule and which are included in the approved State plan. Loan repayments and interest on loan funds may be used only for activities which are consistent with the rule and are included in the State's approved plan.

A State may use funds for the purchase and installation of equipment and materials for energy efficiency measures and renewable energy measures, subject to the following:

- such use must be included in State's approved plan (and if PVE funds are used, the use must be consistent with any judicial or administrative terms and conditions imposed upon State use of such funds).
- such use is limited to no more than 50 percent of all funds allocated by the State to SEP in any given year, regardless of source, except that this limitation shall not include regular and revolving loan programs funded with PVE funds. States may request a waiver of the 50 percent limit from DOE for good cause. For regular and revolving loan funds, loan documents shall ensure repayment of principal and interest within a reasonable period of time, and shall not include provisions for loan forgiveness

Funds may be used to supplement and no funds may be used to supplant weatherization activities under the Weatherization Assistance Program for Low-Income Persons.

(See 10 CFR section 420.18 for more detailed expenditure prohibitions and limitations.)

H. OTHER SUBMISSION AND REGISTRATION REQUIREMENTS

1. Where to Submit.

- **APPLICATIONS MUST BE SUBMITTED THROUGH GRANTS.GOV TO BE CONSIDERED FOR AWARD.** Submit electronic applications through the “Apply for Grants” function at www.Grants.gov. If you have problems completing the registration process or submitting your application, call Grants.gov at 1-800-518-4726 or send an email to support@grants.gov.

2. Registration Process.

- You must COMPLETE the one-time registration process (all steps) before you can submit your first application through Grants.gov (See www.grants.gov/GetStarted). **We recommend that you start this process at least two weeks before the application due date.** It may take 14 days or more to complete the entire process. Use the Grants.gov Organizational Registration Checklists at <http://www.grants.gov/assets/OrganizationRegCheck.doc> to guide you through the process. **IMPORTANT:** During the CCR registration process, you will be asked to designate an E-Business Point of Contact (EBIZ POC). The EBIZ POC must obtain a special password called “Marketing Partner identification Number” (MPIN).

PART V - APPLICATION REVIEW INFORMATION

A. REVIEW AND AWARD PROCESS.

Applications under this funding opportunity will be reviewed and awarded in accordance with the SEP Estimated Formula Allocations shown as Attachment 1 to SEP Notice 06-1.

B. ANTICIPATED NOTICE OF SELECTION AND AWARD DATES.

DOE's Regional Offices are scheduled for consolidation by June 30, 2006. Therefore, it will be necessary to fast track the FY 2006 SEP formula grant application and award process. All 2006 SEP grants, including those whose fiscal year starts on October 1, 2006, must be awarded by June 1, 2006. The Regional Offices will establish the specific submission date for the States in their region. The effective dates of award, July 1, 2006 or October 1, 2006, will remain the same, as will the associated budget periods.

PART VI - AWARD ADMINISTRATION INFORMATION

A. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS.

1. Administrative Requirements.

The administrative requirements for DOE grants and cooperative agreements are contained in 10 CFR part 600 (See: <http://ecfr.gpoaccess.gov>), except for grants made to Federal Demonstration Partnership (FDP) institutions. The FDP terms and conditions and DOE FDP agency specific terms and conditions are located on the National Science Foundation web site at http://www.nsf.gov/awards/managing/fed_dem_part.jsp.

2. Special Terms and Conditions and National Policy Requirements.

Special Terms and Conditions and National Policy Requirements.

The DOE Special Terms and Conditions for Use in Most Grants and Cooperative Agreements are located at <http://grants.pr.doe.gov>. The National Policy Assurances To Be Incorporated As Award Terms are located at <http://grants.pr.doe.gov>.

Intellectual Property Provisions.

The standard DOE financial assistance intellectual property provisions applicable to the various types of recipients are located at http://www.gc.doe.gov/techtrans/sipp_matrix.html.

B. REPORTING.

Following award of an SEP grant, the States are required to submit the following two reports for the SEP Formula Grants to their Regional Office semi-annually, unless otherwise specified by the Regional Office:

- Financial Status Report, Standard Form 269
- Program Status Report

The Federal Cash Transactions Report, SF 272 is no longer required. It will, however, be maintained in WinSAGA for States wishing to use it.

The Regional Offices have the discretion to require States to submit any or all of these reports on a quarterly basis.

The Standard Forms are available at the DOE EERE PMC website at: <https://www.eere-pmc.energy.gov/forms.asp>

The Program Status Report form is also contained in WinSAGA. DOE strongly encourages States to submit the Program Status Report electronically through WinSAGA.

PART VII - QUESTIONS/AGENCY CONTACTS

A. QUESTIONS.

Questions regarding the content of the announcement must be submitted through the “Submit Question” feature of the DOE Industry Interactive Procurement System (IIPS) at <http://e-center.doe.gov>. Locate the program announcement on IIPS and then click on the “Submit Question” button. Enter required information. You will receive an electronic notification that your question has been answered. DOE will try to respond to a question within 3 business days, unless a similar question and answer have already been posted on the website.

Questions relating to the registration process, system requirements, how an application form works, or the submittal process must be directed to Grants.gov at 1-800-518-4726 or support@grants.gov. DOE cannot answer these questions.

B. AGENCY CONTACT.

Name:	Kelly A. McDonald
E-mail:	kelly.mcdonald@netl.doe.gov
FAX:	(304) 285-4683
Telephone:	(304) 285-4113

PART VIII - OTHER INFORMATION

A. MODIFICATIONS.

Notices of any modifications to this announcement will be posted on Grants.gov and the DOE Industry Interactive Procurement System (IIPS). You can receive an email when a modification or an announcement message is posted by joining the mailing list for this announcement through the link in IIPS. When you download the application at Grants.gov, you can also register to receive notifications of changes through Grants.gov.

B. GOVERNMENT RIGHT TO REJECT OR NEGOTIATE.

DOE reserves the right, without qualification, to reject any or all applications received in response to this announcement and to select any application, in whole or in part, as a basis for negotiation and/or award.

C. COMMITMENT OF PUBLIC FUNDS.

The Contracting Officer is the only individual who can make awards or commit the Government to the expenditure of public funds. A commitment by other than the Contracting Officer, either explicit or implied, is invalid.

D. EVALUATION AND ADMINISTRATION BY NON-FEDERAL PERSONNEL.

In conducting the review and selection process, the Government may seek the advice of qualified non-Federal personnel as reviewers. The Government may also use non-Federal personnel to conduct routine, nondiscretionary administrative activities. The applicant, by submitting its application, consents to the use of non-Federal reviewers/administrators. Non-Federal reviewers must sign conflict of interest and non-disclosure agreements prior to reviewing an application. Non-Federal personnel conducting administrative activities must sign a non-disclosure agreement.

REFERENCE MATERIAL

Link to State Energy Program Notice 96-01:

http://www.eere.energy.gov/state_energy_program/grant_guidance.cfm